

# Coin World

THE WEEKLY NEWSPAPER OF THE ENTIRE NUMISMATIC FIELD

COMBINING WORLD COINS & NUMISMATIC SCRAPBOOK

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## Senate to probe failed bullion firms, unlikely to target legitimate dealers

Recent failures of two large precious metals firms are the focus of a new probe by the Senate Permanent Subcommittee on Investigations, chaired by Sen. William V. Roth Jr., R-Del.

Whether the investigation will involve numismatics dealers is not yet known. But a committee spokesman said questions appear limited to operations like the now-defunct Bullion Reserve of North America and International Gold Bullion Exchange. "I don't see the investigation affecting legitimate coin dealers," he said.

Don Evans, executive director of the Industry Council for Tangible Assets, said ICTA has offered the subcommittee its "full cooperation. We are most concerned with the security and viability of the customer. To that end we will cooperate with everyone."

While Roth announced plans for the

investigation in October, it is unlikely the subcommittee will begin action until after the first of the year. Roth said that no hearings have been scheduled, but added that "they are an option."

The subcommittee was alerted to the problem by Robert Abrams, New York state attorney general, who has briefed senators on his own investigations of Bullion Reserve and IGBE. In urging the congressional inquiry, Abrams said he had received hundreds of consumer complaints about potential loss of investments.

Bullion Reserve, a multi-million dollar firm based in Los Angeles, closed its doors in September, owing 30,000 customers up to \$60 million. Similar losses were experienced after the collapse of IGBE of Ft. Lauderdale, Fla., last spring.

A concern of the subcommittee ap-

pears to be that no federal regulator, like the Securities and Exchange Commission or the Commodity Futures Trading Commission, claimed jurisdiction over the questionable bullion trading operations. Roth told a recent press conference that the "agencies are very successful at claiming jurisdiction when they want it and denying it when they don't."

"We are interested in determining whether there are problems with the federal regulating system — whether these companies fall through a gap in the regulatory process," Roth explained. "We will also examine what role should be played at the state level."

The coin industry continues to resist attempts by state and local authorities to impose additional controls on dealers. Burt Blumert, executive director

of the National Association of Coin and Precious Metals Dealers, said, "I don't think any amount of regulation will protect against crooks."

ICTA has lobbied strenuously in the past against federal regulation of the industry. In fact, during organizational meetings last August, members pledged to try "to limit burdensome regulations by the Securities and Exchange Commission, the Commodity Futures Trading Commission and other agencies." Evans said the council believes self-regulation is best for the industry.

Roth has not gone on record either for or against more stringent federal regulations. A subcommittee spokesman stressed that members have "no preconceived notions" about the current regulatory system or about the eventual outcome of the investigation.

## Uncirculated set requirement near reality

Congress was expected to vote Nov. 11 on a proposal to mandate that the Bureau of the Mint produce and sell Uncirculated (Mint) and Proof coin sets annually.

The proposal was offered as an amendment by Sen. Alan Dixon, D-Ill., after an earlier House-approved measure was stricken in the Senate. Sales of Uncirculated sets ceased in 1982, triggering collector protest; no Uncirculated sets were sold in 1983.

The requirement was attached to the Senate version of a continuing resolution funding the Treasury Department and other government agencies, and was adopted by voice vote during a late night session Nov. 10.

A report by a conference committee, formed to resolve differences in the House and Senate versions of the resolution, was expected the next afternoon, to be followed immediately by floor votes in both houses.

If approved and signed by President Reagan, the law

will be the first ever to require production of annual Mint and Proof set sales.

Mint sets contain some of the highest quality coins struck using the same coining techniques as those for circulated coin production. Mint sets should not be confused with annual "souvenir year sets" produced by the Mint and sold only at Mint sales areas in Washington, Philadelphia, Denver and San Francisco.

In 1981, the last year Mint sets were offered for sale, nearly 3 million sets were ordered. After costs, the program earned Treasury general fund receipts of more than \$9 million, a clear profit for the government.

Despite this, sales of Mint sets were discontinued the next year, a casualty of budget cuts and a lack of necessary personnel to staff the program, according to the Mint.

Proof sets sales have remained unaffected by the

cutbacks, although the program up to now has been operated at the Mint's discretion.

Rep. Frank Annunzio, D-Ill., chairman of the House Subcommittee on Consumer Affairs and Coinage, was the first to suggest legislating sales of the Mint and Proof sets, and offered his proposal as an amendment to a Mint funding bill last spring.

"Last year, the administration ordered personnel cuts at the Mint that resulted in termination of the Uncirculate coin program," Annunzio said at the time. "This termination not only cost jobs, but also cost the government needed revenues at a time of record budget deficits. Resumption of sales of the Uncirculated sets will put productive Americans back to work and reduce the staggering deficits."

The Annunzio amendment passed the House in

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### Legend appears factual

## Documents show Franklin's contributions

Legend credits Benjamin Franklin with numerous accomplishments, many of which historians acknowledge as rightly due to the man from Philadelphia. Other accomplishments, thought to have come from the fertile mind of the American genius, have not been proven, including the belief that Franklin created the 13-link chain device and legend AMERICAN CONGRESS WE ARE ONE found on Continental Currency and early American coinage. Up until now, that is!

Numismatic researcher scholar-researcher Eric P. Newman believes he has proven by means of notations and drawings in Franklin's handwriting that Franklin is in fact the creator of two of the most famous designs in early American numismatics. He offers his proof in the November issue of *The Numismatist*, published by the American Numismatic Association.

Newman, in satisfying to himself the validity of the legends, also uses his proof to indicate the probability that

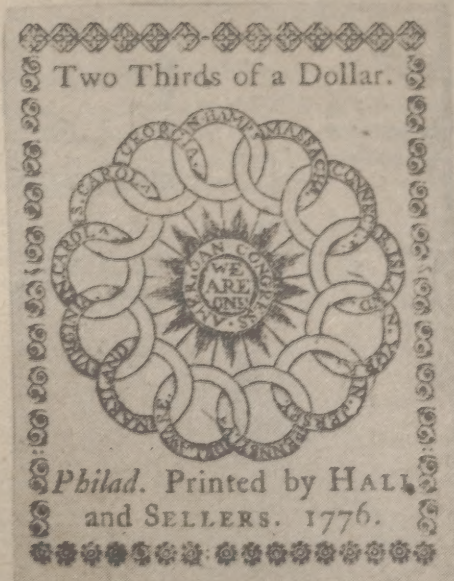
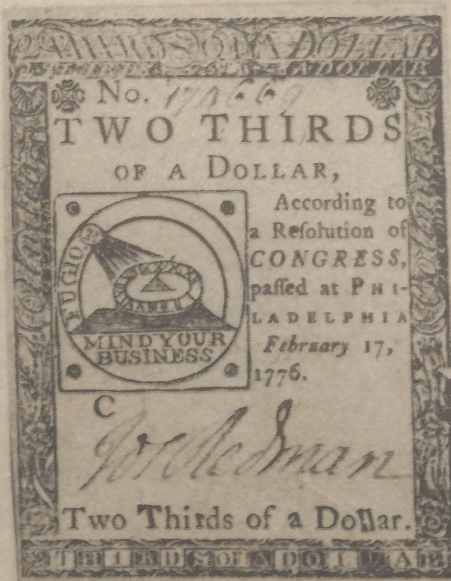
Franklin was also creator of the second most famous early American coinage device attributed to him — the sundial and FUGIO MIND YOUR BUSINESS legend of the Fugio cent.

"It now seems clear that Benjamin Franklin indeed created the 13-link chain design and its motto AMERICAN CONGRESS • WE ARE ONE," Newman concludes in *The Numismatist* article.

"His participation in the conception, rendering and arrangements for Continental Currency before his departure for France in November 1776 is corroborated by the notations and drawings in his handwriting... His learned writing about Continental Currency under the name Clericus and the selection of emblems and mottoes from his personal library provide further evidence.

"However, the question remains — is this evidence sufficient to credit him unequivocally with the origination of the sundial device and the motto FU-

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Legend has suggested that Benjamin Franklin created both the Fugio sundial and 13-link chain designs, seen on many Continental Currency coins and paper money. The evidence seems to support the legend, Eric Newman reports in an article in the November issue of *The Numismatist*.



# Franklin apparently creator of chain design

## FROM PAGE ONE

GIO — MIND YOUR BUSINESS? The association of the two with Franklin's Poor Richard philosophy is, in itself, overwhelming evidence, but it seems virtually impossible for Franklin as the designer of the back of the fractional currency not to have participated in the simultaneous design of the face. Therefore, we can thank Benjamin Franklin for providing the missing links, thus allowing us to attribute to him two more inspiring, instructive, patriotic emblems and mottoes.

Opinions and circumstantial evidence linking Franklin with the 13-link chain device and the legend, AMERICAN CONGRESS • WE ARE ONE, "have not satisfied everyone," Newman says. "Some numismatists have been hopeful that more conclusive proof could be found.

"This insufficiency of evidence was emphasized four years ago in an excellently researched article by David P. McBride entitled 'Linked Rings,' which appeared in the November 1979 issue of *The Numismatist*," Newman writes.

"The source of this symbolism and artistry is of major significance, particularly from a numismatic point of view, because the design appears on each denomination of the first fractional paper money issued by the Continental Congress (Feb. 17, 1776); the 1776 Continental Currency patterns and trials for dollar coinage; and the 1787 Fugio cent, the first coin authorized by the United States of America."

A similar motif appears on state paper issues and the 1793 Chain cent of the United States Mint, Newman notes, as well as on John Chalmer's shilling tokens of 1783.

"Many felt that clues to the origin of the emblem and motto must exist in Benjamin Franklin's own papers, and, sure enough, hiding amid the mass of his written data was the answer," Newman says.

"Franklin, evidently following the conservative precepts of his 'alter ego,' Poor Richard, frequently wrote his ideas, notes and calculations on the backs of letters and scrap paper, saving his jottings for future reference. A study of such papers has produced new evidence that supports the logic and research of the past in a most remarkable way."

Several important pieces of documentary evidence linking Franklin to the 13-link chain device and legends is in his handwriting in the form of calculations and doodling on the backs of formerly important documents, Newman reveals.

Among the evidence are calculations for the initial Continental Currency issue. The calculations appear on the back of one of three "Resolutions of Thanks" to several Englishmen who had spoken out in favor of American grievances.

A second piece appears on the back of a Franklin-written document involving trade with other nations, entitled "Resolutions on Trade Submitted to Congress." Support for his position did not materialize, Newman says, so the resolution was not submitted. Like the "Resolutions of Thanks," it "too became scrap paper in Franklin's hands," Newman writes.

"On the back of those resolutions appear various notes, all in Franklin's handwriting: calculations, including an addition in pounds, shillings and pence; a series of points to be made in a presentation or documentation of trade matters under consideration by the Continental Congress; and an ink drawing of an



The Franklin-selected emblems on the back of the \$30 Continental Currency of the May 10, 1775, session issue.

emblem depicting a personification of wind blowing up large waves in a body of water, with the Latin inscription VI VENTORUM CONCITATAE ('Driven by the force of wind')," Newman writes. "The capital letters on the 63-millimeter drawing have serifs, much like the style a former printer like Franklin might use. On the forehead of the bald, puffed-cheek face is a wind direction indicator in vertical position. Below the sketch, written in script, are the words 'Another motto Cessante Vente Conquiescimus.'"

Newman continues: "A rendition of that drawing soon appeared on the face of the May 10, 1775, \$20 bill and as one of two emblems on the design was substantially modified, and the motto was made more meaningful by dropping the word 'Ventorum,' which suggested that the Colonies were driven by a hostile force, namely Great Britain. The additional motto, which appeared below the original sketch, was featured on the back of the \$20 bill and as an additional design on the back of the \$30 bill. 'Conquiescimus' was corrected to read 'Conquiescemus,' and the motto was

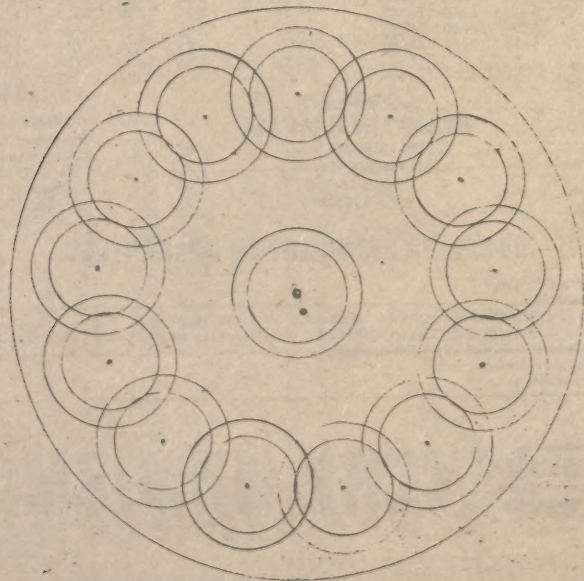
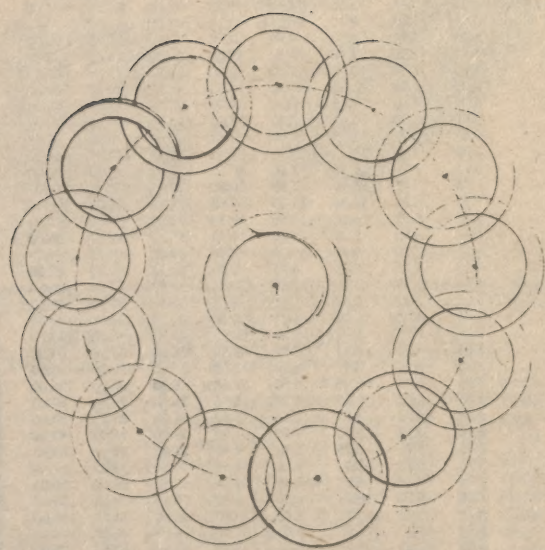
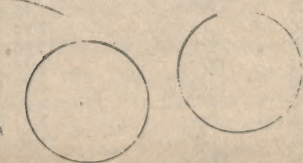
placed within a radiant sun design derived from Camerarius (Vol. IV, No. 34). A similar design appeared on the Fugio cent many years later.

"The date of the availability of Franklin's scrap paper — July 21, 1775 — closely corresponds with the preparation of the first issues of Continental Currency," Newman writes. "Like the scratchings on the back of the Resolutions of Thanks, these sketches of the emblem and mottoes rendered by Franklin are further proof of his extensive personal participation in the development of currency."

The Franklin sketches also reveal his interest in the 13-link chain device, Newman says.

"On two separate sheets in Franklin's papers are drawings of the 13-link chain design; nothing appears on the opposite side of either paper. One sheet pictures two chain designs and some practice circles at the top. The other sheet features one design with the motto AMERICAN • CONGRESS • WE ARE ONE written in Franklin's hand in capital letters, as well as several arcs and circles at the top.

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Franklin's preliminary mechanical drawings of the 13-link chain design before the motto was inserted.



Franklin's drawing of the 13-link chain design with the motto in and shadows indicated.



# Franklin sketches show early chain design

★Continued from page 34

"These sketches display some interesting differences," Newman writes. "For example, the interior concentric circles on the first two designs are the same size as the links; the links in the sketch at the bottom are pulled tightly together, while the design at the top displays a small space between the interlocking links. Lightly sketched, pointed rays encircle the lower design; the drawing above shows none.

"Lastly, the device at the bottom is surrounded by a large circle, 112mm in diameter. The paper picturing the single design measures 109mm and features very loose links surrounding smaller inner circles. Note that shadows have been drawn in where the links overlap one another, but the lines under the cross-overs have not been eliminated. The letters in the motto have serifs, just as those in Franklin's sketch with the motto VI VENTURUM CONCITATAE.

"All three designs were drafted with a compass," Newman says. "A testament to Franklin's proven dexterity and ingenuity was his ability to divide a circle into 13 equal arcs to locate centerpoints to draw the links. However, it is the motto AMERICAN • CONGRESS •



The reverse of the 1776 Continental dollar with the 13-link chain design.



Franklin's emblem and motto sketch and other notations on the back of his draft of trade resolutions.

WE ARE ONE, sketched in Franklin's handwriting, that provides the most outstanding evidence.

"The back design of the fractional currency prepared by Elisha Gallaudet differs only slightly from the concepts shown in these rudimentary drawings. Inner rays were added, and outer rays were eliminated. The links of the chain were pulled tight, and each featured the name of one of the 13 Colonies. The crossover lines of the underlying portions of the links were not visible, no shadows were used and one stop was removed from the motto," Newman writes.

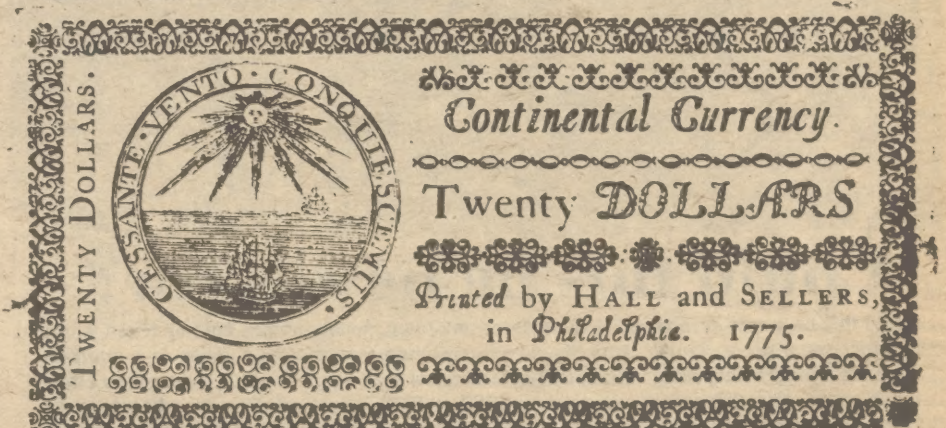
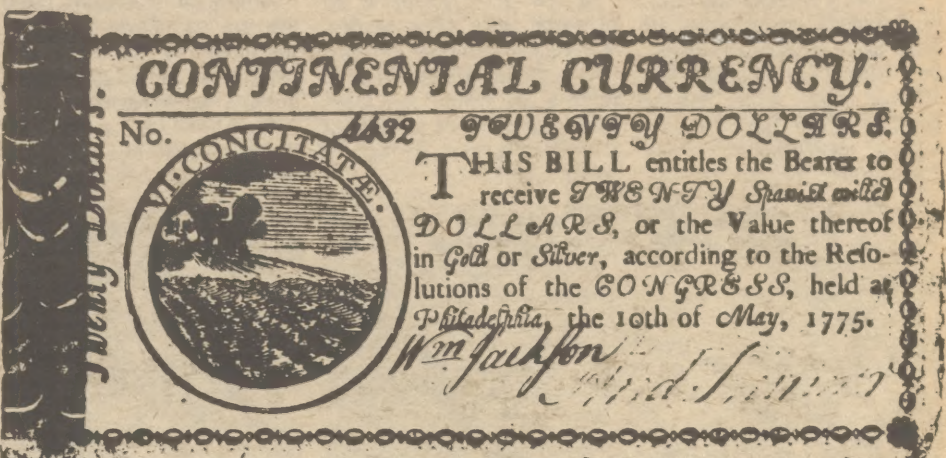
"However, on the Continental dollar coined in 1776, the shadows of the overlapping links reappeared, the stops in the motto were eliminated, and the rays were simplified. The production strikes of the Fugio cent in 1787 introduced further changes in the link design: the rays and names of the states were no longer present, the links were solid, and the words UNITED STATES replaced AMERICAN CONGRESS."

Historical background supplied by Newman was included in his treatise:

"Records and research of the past have shown that on June 23, 1775, Franklin was one of five persons appointed to develop and arrange for the preparation of the first issue of Continental Currency," Newman wrote.

"Pursuant to the authorizations of June 22-23 and July 25, 1775, this paper money was issued in denominations of \$1, \$2, \$3, \$4, \$5, \$6, \$7, \$8, \$20 and \$30, and is known as the May 10, 1775, session issue. Each bill featured at least one emblem and Latin motto adapted from emblem books in Franklin's library, the principal source being the 1702 Mainz edition of Symbolorum ac Emblematum Ethico-Politicorum, assembled by Joachim Camerarius."

Newman writes that William Browne, a Harvard-educated Tory, confirmed in a Jan. 18, 1776, letter to Samuel Curwen that "these emblems and mottoes—among which the subsequent 13-link chain design was not included"—were Franklin's work. "Browne, having been shown some Continental Currency by



The Franklin-selected emblems on the face and back of the \$20 Continental Currency of the May 10, 1775, session issue.

'General' Beverley Robinson, described the devices in his letter, stating that 'They are the inventions of Dr. Franklin,' Newman reports.

"After the bills were introduced into circulation, the meaning of their emblems and mottoes was promptly explained in the September 25, 1775, edition of the Pennsylvania Gazette in a letter to the editor, which was anonymously signed 'Clericus,'" Newman says. "The explanation, which was composed in Franklin's style, was later reprinted in the December 1775 issue of Pennsylvania Magazine, also under the name Clericus. The 1775 Pennsylvania Magazine Supplement featured a letter to publisher Robert Aitken from Francis Hopkinson (1737-1791), a distinguished signer of the Declaration of Independence."

Newman continues: "Signing his letter A.B. to conceal his identity, Hopkinson referred to the Clericus item as 'your friend's explanation of the devices and mottoes exhibited on our Continental Currency.' The suggestion that Clericus was a friend of the publisher was apparently intended to compliment Aitken in order to encourage publication of Hopkinson's comments on other mottoes."

In the same issue, Joseph Stanbury, a Philadelphian who wrote a poem about Continental Currency, wrote on his copy of the poem. "See Explanation of the Devices and Mottoes of the Continental Bills of Credit in the Pennsylvania Gazette, published by Hall and Sellers, supposed to be written by the celebrated Dr. Franklin."

"Therefore, it seems the notion that Clericus was a pseudonym for Benjamin Franklin was obviously unchallenged," Newman writes.

The first paper money to use the sundial device and the 13-link chain motif were the four new fractional dollar denominations of the Feb. 17, 1776, issue, Newman writes. On the obverse of each denomination is the sundial, with the Latin inscription FUGIO ("I Fly") and the English legend MIND YOUR BUSINESS. On the reverse is the 13-link chain device plus the legend AMERICAN CONGRESS • WE ARE ONE and the name of each of the 13 Colonies. "Although the sundial design was of the type Franklin would have liked Poor Richard to espouse, there was no direct evidence that Franklin created either the design or the motto," Newman notes.

"Francis Hopkinson declared on May 25, 1780, that he had created 'seven devices for the Continental Currency,'" Newman says. "Elected to the Continental Congress as a representative for the state of New Jersey on June 21, 1776, Hopkinson had no official connection with previous currency emissions. The Feb. 17, 1776, issue was in circulation before his arrival as a delegate in Philadelphia on June 28, 1776, and he did not become a member of the Committee on the Treasury until Sept. 30. His creations thus were limited to the nine devices on the April 11, 1778, Sept. 26, 1778 and Jan. 14, 1779 issues.

"Of these," Newman says, "two were copied from available sources without change, with

the remaining seven devices attributed to Hopkinson. Thus, the insignia were left without claimant and by process of elimination Franklin was concluded to be the originator."

Newman says that the various artisans who engraved the devices and borders for earlier Continental Currency have been identified, but that they did not create or select the design concepts. Among them was David Rittenhouse of Philadelphia, later Director of the U.S. Mint. He billed the Continental Congress for the preparation of 36 cuts.

Others who engraved cuts were Philadelphian James Smith and Hall and Sellers, successors to the Franklin and Hall printing business. Elisha Gallaudet, then of Freehold, N.J., prepared the sundial and 13-link chain devices introduced on the fractional currency of February 17, 1776. Later, Gallaudet put his name — E.G. FECIT — on one obverse variety of the 1776 Continental dollar coinage by copying the devices he had just prepared for the fractional paper money issue.

Newman based his article on a request by Dr. J.A. Leo Lemay of the University of Delaware for slides of the emblems and mottoes on Continental Currency. "He mentioned that his review of Volume 22 of The Papers of Benjamin Franklin, March 23, 1775, through October 27, 1775 (eds. William B. Wilcox et al, New Haven, 1982) had further interested him in the subject. A careful reading of his incisive review and an examination of some portions of the original volume provided the unexpected answer to a numismatic researcher's dream," Newman says.

Newman acknowledges the "prompt cooperation of the American Philosophical Society, where the key Franklin papers reside, [which] resulted in the discovery of additional details." Dr. Lemay's further suggestions and his recognition of the importance of expanding the findings were gratefully acknowledged by Newman.

Joseph R. Lasser, a specialist in Early American numismatics, shared his thoughts and research by interpreting some of the ambiguities. "Above all, enough cannot be said about the value of the editorial staff responsible for the masterful compilation of The Papers of Benjamin Franklin, a continuing project requiring so many years of research," Newman concluded.

## Newman article available in full

Single copies of *The Numismatist* may be obtained while the supply lasts for \$2.50 from the American Numismatic Association, P.O. Box 2366, Colorado Springs, Colo. 80901.

Accompanying the in-depth Newman discovery in the magazine is a list of 14 references he used in his research. They are recommended for additional reading on the subject.